

CARES Act Communication

As required by guidance issued by the U.S. Department of Education (“Department”) on May 6, 2020, **All-State Career School - Baltimore and subsidiaries (“the School”), which includes All-State Career School - Pittsburgh, Fortis College – Houston South and Fortis Institute – Houston North**, provides this initial report describing the use of funds distributed from the Higher Education Emergency Relief Fund to the School:

1. The School has signed and returned to the Department the Certification and Agreement for Emergency Financial Aid Grants to Students (“Certification/Agreement”), which provides, in relevant part, that the School intends to use no less than 50% of the funds received under Section 18004(a)(1) of the CARES Act to provide Emergency Financial Aid Grants to students, with the remaining funds indicated for institutional use. The School has elected to earmark an additional 25% of the funding provided for Emergency Financial Aid Grants to students (for a total of 75% of the funds received under Section 18004(a)(1) of the CARES Act).
2. The School has received \$5,309,772 in funds from the Department pursuant to the School’s Certification/Agreement, and is expecting to provide \$3,982,814 to students.
3. The School has been reviewing evolving federal guidance and working to develop an infrastructure to deliver Emergency Financial Aid Grants to eligible students. As of May 24, 2020, The School has distributed \$0 of Emergency Financial Aid Grants to eligible students under Section 18004(a)(1) of the CARES Act. It is anticipated that grants will begin to be distributed to eligible students on or around May 27, 2020.
4. The School estimates that 984 students, as May 24, 2020, are eligible to participate in programs under Section 484 in Title IV of the Higher Education Act and thus eligible to receive Emergency Financial Aid Grants.
5. As of May 24, 2020, 0 students have received an Emergency Financial Aid Grant. It is anticipated that grants will begin to be distributed to eligible students on or around May 27, 2020.
6. The methods used by the School to determine which students will receive Emergency Financial Aid Grants and how much they will receive under Section 18004(a)(1) of the Cares Act are as follows:

Student Eligibility – Methodology:

- To receive Emergency Financial Aid Grants, students must be:
 - a. In an active category of attendance or in a traditional leave of absence as of May 24, 2020;

- b. Eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965 (to verify this, the School will confirm the student has a valid ISIR on file prior to disbursing grant funding to the student);
 - c. Enrolled in a Title IV program.
- Students who were enrolled exclusively in an online program on March 13, 2020 are not eligible to receive Emergency Financial Aid Grants.
- The School will be distributing funds to all eligible students per the grant amount methodology noted below. Upon presentation of the funds to students, students will be asked to attest that funds will be used to cover expenses related to the disruption of campus operations due to coronavirus.

Grant Amount – Methodology:

- To calculate the base award value per student, the School will divide the CARES Act allocation by the number of students in attendance as of May 24, 2020.
 - The base award value is then adjusted by four additional factors:
 - a. *Cost of living:* The School will balance the award against the 2019-2020 Indirect Cost of Attendance figures for each location. This allows the School to consider cost of living expenses in specific areas.
 - b. *Dependent vs. Independent:* Dependent students have, on average, other resources to cover expenses. Therefore, the award for a dependent student will be reduced by 20%.
 - c. *Enrollment status:* Students who attend less than full-time have, on average, fewer expenses. Therefore, awards will be reduced if a student's enrollment is $\frac{3}{4}$, $\frac{1}{2}$, or $<1/2$ time status.
 - d. *Estimated Family Contribution (EFC):* Awards will be increased for students with a Pell-eligible EFC.
 - The maximum a student can receive is \$6,000.
 - Currently enrolled students will receive the award in six monthly installments.
 - Students who begin their programs after May 24, 2020 will be eligible for a \$100 per month grant through October 2020 in order to assist with additional expenses that may be related to initiating classes online.
7. The School has provided the following instructions, directions, and guidance to students concerning Emergency Financial Aid Grants:
- HEERF Grant Funding Frequently Asked Questions, available at <http://www.edaff.com/cares-act-faqs.php>
 - Example of email sent to students on approximately May 14, 2020: https://drive.google.com/open?id=1AfNt56yA_DLGKOhcjVAfkKIZfIRgk2N-
 - Student Attestation, provided to students on approximately May 27, 2020: <https://drive.google.com/open?id=1QSGJS1QyaFTZekM9mtTW8AAIppM1HQ2b>